



ACQUISITION AND  
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

NOV 12 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
PRESIDENT, DEFENSE ACQUISITION UNIVERSITY  
COMMANDANT, DEFENSE SYSTEMS MANAGEMENT COLLEGE

SUBJECT: Commercial Business Environment Training Team

As part of the effort to reform the acquisition process within the Department of Defense, I am creating a commercial business environment training team that will propose a training regime on key commercial business practices for the Department as specified in the attached charter.

I am appointing William E. Mounts, Director, International and Commercial Systems Acquisition, from the Office of the Deputy Under Secretary of Defense (Acquisition Reform), to lead this Team.

Please immediately identify your representatives to Mr. Mounts, he can be reached at (703) 697-6398, or email: [mountsw@acq.osd.mil](mailto:mountsw@acq.osd.mil). Your representatives should be people with acquisition experience.

The establishment of this training program is another major step in addressing changes in the Defense acquisition process that will improve the way we buy equipment while protecting the public trust. I am dedicated to the success of this effort and request your personal support.

Dave Oliver  
Principal Deputy

Attachment:  
As stated



# **Charter for the Commercial Business Environment Team**

## **I. Background**

The Department of Defense (DoD) has traditionally relied upon in-house institutions, such as the Defense Acquisition University (DAU), for the majority of education and training for the acquisition workforce. That education and training has produced practitioners skilled in the way DoD has traditionally done business, and efforts are underway to enhance the DAU training and educational opportunities.

In addition, it is also important that DoD recognize that a good portion of what the DoD seeks to accomplish involves the introduction, into the DoD acquisition process, of those practices and techniques that, while commonplace in the commercial environment, will be new to the government arena. As such, DoD's education and training efforts must also include access to appropriate courses, (either existing or designed specifically for the government acquisition workforce) at top business and other academic institutions, as well as new and innovative partnerships with the private sector, that can avail the acquisition workforce of additional and vital perspectives and training on key commercial practices.

## **II. Authority**

In his April 1, 1998, Report to Congress, the Secretary of Defense identified his intent to direct the Under Secretary of Defense (Acquisition and Technology) to develop a program specifically aimed at providing training on commercial business practices. This Training Team is being formed pursuant to that directive. The Team will be comprised of appropriate representatives to ensure broad acquisition perspectives and business perspectives. A significant number of the Team members will be from DoD buying activities.

## **III. Purpose**

The Training Team will develop a broad training program on commercial business practices that covers relevant topic areas such as market research, commercial pricing, commercial financing, commercial terms and conditions, commercial warranties, joint ventures, the uniform commercial code, and the like. Any proposed mandatory training requirements for certification will be reviewed and approved by appropriate management in the Department. To the extent practicable, this training shall be developed in partnership with the private sector and shall include plans to meet requirements for continuing education of the acquisition workforce.

## **IV. Roles and Responsibilities**

The Under Secretary of Defense (Acquisition and Technology) appointed the Office of the Deputy Under Secretary of Defense (Acquisition Reform) as the Team Leader. The Team Leader will be responsible for task accomplishment, management of Team activities, and reporting.

The Military Departments, the Defense Logistics Agency, the Defense Advanced Research Projects Agency, Defense Systems Management College, Defense Acquisition University, the Defense Contract Audit Agency, DoD Inspector General and, the Office of Under Secretary of Defense (Acquisition & Technology), shall provide senior representatives familiar with the acquisition process in one or more of the following functional areas:

- contracting
- cost and price analysis
- contract auditing
- small business
- competition advocate
- quality assurance
- program/project management
- production
- acquisition planning
- engineering
- logistics
- government property
- contractor payment/comptroller
- counsel
- research and development
- communications-computers
- other functional areas, as needed

## **VI. Study Objectives**

The Team shall determine how to develop organic or identify commercial training on commercial business practices for the acquisition workforce within DoD. The Team shall be guided by, but not limited to, the following objectives:

- Determine the target audience for commercial business practices training
- Develop a strategy for implementation and deployment of commercial business practices training
- Propose new or modified training courses for acquisition workforce certification under the Defense Acquisition Workforce Improvement Act
- Determine resource requirements to implement recommended strategy.

## **VI. Resources**

The Team will also seek partnerships with other organizations, such as industry, academia, and professional associations, as appropriate. See the attachment for examples of possible sources for partnerships.

DoD will provide the funds to support all costs (e.g., travel, personnel, administrative) of their respective Team members.

## **VII. Schedule**

The Team will begin this effort in October 1998, beginning with a survey of the market to determine if commercial training courses are available, and will provide bi-weekly status reports to DUSD (AR).

The Team will provide an In Process Review to the USD(A&T) in December 1998 with a final report March 1, 1999.

The Team will seek to establish additional training partnerships in the fall 1998.

Attachment  
**Commercial Business Training  
Examples of Possible Sources for Partnership**

**Integrated Dual Use Commercial Companies Association**

**National Association of Purchasing Management  
2055 East Centennial Circle  
P.O. Box 22160  
Tempe, AZ 85285-2160**

**National Contract Management Association  
1912 Woodford Road  
Vienna, VA 22182**

**Project Management Institute  
Four Campus Boulevard  
Newtown Square, PA 19073-3299**

**Aerospace Industries Association**

**American Electronics Association**

**American Shipbuilding Association**

**Contract Services Association**

**Electronic Industries Association**

**Manufacturers Alliance for Productivity and Innovation**

**National Defense Industrial Association**

**Professional Services Council**

**Small Business Administration**

**Local Business Schools**

**Local Universities**